

§9-1205. Use or disposition of collateral permissible

(1). A security interest is not invalid or fraudulent against creditors solely because:

(a). The debtor has the right or ability to:

(i) Use, commingle or dispose of all or part of the collateral, including returned or repossessed goods;

(ii) Collect, compromise, enforce or otherwise deal with collateral;

(iii) Accept the return of collateral or make repossessions; or

(iv) Use, commingle or dispose of proceeds; or [PL 1999, c. 699, Pt. A, §2 (NEW); PL 1999, c. 699, Pt. A, §4 (AFF).]

(b). The secured party fails to require the debtor to account for proceeds or replace collateral. [PL 1999, c. 699, Pt. A, §2 (NEW); PL 1999, c. 699, Pt. A, §4 (AFF).]
[PL 1999, c. 699, Pt. A, §2 (NEW); PL 1999, c. 699, Pt. A, §4 (AFF).]

(2). This section does not relax the requirements of possession if attachment, perfection or enforcement of a security interest depends upon possession of the collateral by the secured party. [PL 1999, c. 699, Pt. A, §2 (NEW); PL 1999, c. 699, Pt. A, §4 (AFF).]

SECTION HISTORY

PL 1999, c. 699, §A2 (NEW). PL 1999, c. 699, §A4 (AFF).

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